

# IR35 Legislation April 2020

## Nothing to fear

**If your business uses Limited Company Drivers and you are not aware of how you can continue to use them after April compliantly, without huge cost and financial risk, read on. We do have a solution!**

With all of the exaggerations and inaccurate information that is currently being distributed it is important that we clarify the changes to IR35 legislation, which should become law in April 2020. These changes will only affect those drivers who provide their services through their own Limited Company.

## What changes are happening to IR35 Legislation?

Importantly, there are **no changes** to how status is determined i.e. if a Limited Company driver is not captured by IR35 now there are **no changes** that would make that any more likely after April. Status determination remains an **individual analysis** of each individual Limited Company Driver's contractual engagements and business operation. It is not and has never been simply an analysis of roles or assignments. What **is changing** however, is who is responsible for making the determination.

Currently Limited Company Drivers are responsible for determining whether or not they are captured by IR35. If they get this wrong, it is their Limited Company that has to foot the tax bill. As of April 2020 the Hirer (you) become responsible for determining whether a Limited Company Driver is captured by IR35. As of April 2020 the Fee Payer, which is currently us as the business paying the Limited Company Driver, will have to foot the tax bill if the assessment is wrong.

## What does this actually mean?

The new IR35 legislation sets out a revised legal compliance framework. **It does not suggest that businesses cannot or ought to not continue to use Limited Company Drivers as usual.** All that Hirers are required to do is to exercise **reasonable care** in ensuring that the IR35 status of individual Drivers has been properly considered.

As you know, drivers are always in great demand and the shortfall of drivers in the industry is well documented. To lose the option of Limited Company Drivers would put an enormous strain on the supply chain and on your ability to meet your client commitments. **However, the good news is that we are able to offer a suitably insured managed service solution** to ensure we are all able to comply with the new legal requirements for Limited Company Drivers.

The solution is delivered by our Contracting partner who use the only barrister led IR35 assessment tool in the market. **This solution** is provided by a Bar Standards Board regulated law and technology company and utilises an easy to access online tool to assess IR35 status quickly, efficiently and, most importantly, correctly in accordance with the law. Our contracting partner business become the **Fee Payer** and their services are suitably insured so we can continue to use the services of Limited Company Drivers without additional risk, at no additional cost in time or money and in full compliance with the revised legal framework.

We hope that you agree this is a sensible and compliant solution for Limited Company Drivers post April 2020 and that you will have questions about how this solution will work for you. Our managers and staff are ready to meet you to answer any questions you may have to ensure you are compliant from April and not compromised!

## Call us now to arrange a consultation.

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